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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	Case No. 05-CV-1114 JW **ECHOSTAR'S NOTICE OF MOTION AND MOTION TO AMEND SCHEDULING ORDER** Local Rule 6-3

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NOTICE OF MOTION AND STATEMENT OF RELIEF SOUGHT

EchoStar Satellite LLC and EchoStar Technologies Corporation ("EchoStar") hereby give notice and hereby move, pursuant to Civil Local Rule 6-3, for an order amending this Court's February 27, 2006, scheduling order and postponing the *Markman* briefing and hearing on the terms of the '863 and '720 patents, currently scheduled for August 11, 2006, until after the Court has construed the terms of the '992 and '275 patents.[1]

INTRODUCTION

It has now become apparent that the Court's construction of terms in the '992 and '275 patents will have a substantial impact on the construction of the terms in the '863 and '720 patents. In particular, the Court's rulings on the '992 and '275 patents may reduce the terms to be construed in the '863 and '720 patents. Further, it is equally apparent that *every time* Acacia is faced with construing the terms of the Yurt patents, it drops asserted claims. This round of claim construction briefing is no different. Indeed, as a result of the Defendants' pending claim construction briefs, Acacia withdrew *6 claims* in the '992 patent — all before the Court even construed them. Accordingly, in the interests of judicial economy, consistency in claim construction, and to avoid unnecessary effort by the Court and the parties, EchoStar requests that the Court amend its February 27, 2006, scheduling order to continue the claim construction briefing and hearing regarding the '863 and '720 patents until after the Court has issued an order construing the terms of the '992 and '275 patents. A short continuance will not be unproductive because the same period of time is also currently scheduled for the Round 3 Defendants' motion to reconsider the constructions that pre-date their arrival to this case.

The Yurt family of patents consists of five patents that share a common specification. The first of these five patents, the '992 patent, was followed by the '275, '863, '720, and '702 patents.

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[1] The following Defendants join in this brief: The DIRECTV GROUP, INC.; Time Warner Cable, Inc.; CSC Holdings, Inc.; Comcast Cable Communications LLC; Insight Communications, Inc.; Armstrong Group, Block Communications, Inc. (d/b/a Buckeye Cable); Wide Open West Ohio LLC; East Cleveland Cable TV and Communications, LLC; Charter Communications, Inc.; Massillon Cable TV, Inc.; Mid-Continent Media, Inc.; US Cable Holdings LP; Savage Communications, Inc.; Sjoberg's Cablevision, Inc.; Loretel Cablevision; Arvig Communications Systems; Cannon Valley Communications, Inc.; and NPG Cable, Inc.

This Court construed the terms in the ‘992 and ‘702 patents in a July 12, 2004, *Markman* order (“*Markman* I”). After this order, numerous cable and satellite companies were consolidated with the case as an MDL case. After these parties were joined, the Court held additional hearings which culminated in the December 4, 2005, *Markman* order (“*Markman* II”). Decl. of Matthew I. Kreeger In Support of EchoStar’s Motion to Amend Scheduling Order (“Kreeger Decl.”) at ¶ 2. Significantly, the *Markman* II order confirmed the *Markman* I finding that numerous terms in the ‘702 and ‘992 patents were indefinite. As a result, Acacia has withdrawn 21 claims in the ‘992 and ‘863 patents (Claims 1-18 of the ‘992 patent and Claims 10, 11, and 13 of the ‘863 patent)[2] as well as all of the asserted claims in the ‘702 patent.

At the February 27, 2006, Case Management Conference, the Court set out a dual-track schedule for construing the remaining four patents. First, the Court set June 2, 2006, as the hearing date to construe the remaining terms in the ‘992 and ‘275 patents.[3] Second, the Court set August 11, 2006, as the hearing date to construe the terms in the ‘863 and ‘720 patents. *Id*. at ¶ 3. Because of the proximity of these hearing dates, briefing on the ‘863 and ‘720 patents overlaps with the schedule set for the ‘992 and ‘275 patents. For example, Defendants filed their claim construction briefs regarding the ‘992 and ‘275 patents on May 8, 2006. That same week, the parties exchanged a list of terms to be construed from the ‘863 and ‘720 patents. The parties must disclose constructions of those terms on May 26, 2006 (Acacia) and June 9, 2006 (Defendants). *Id*. at ¶ 4. Thus, the current schedule calls for the parties to brief the terms of the ‘863 and ‘720 patents at the *same time* the Court considers the same or similar terms in the ‘992 and ‘275 patents.

ARGUMENT

Upon a showing of good cause, a court may revise a scheduling order. *See* Fed. R. Civ. P. 16(b). As set forth below, good cause exists to amend the February 27 scheduling order.

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[2] Of these claims, Acacia asserted Claims 1, 2, 4, 6, 8, 9, 10, and 18 in the ‘992 patent against various Defendants, as well as each of Claims 10, 11, and 13 in the ‘863 patent.

[3] The June 2 hearing date was moved on May 23, 2006, by this Court to June 14-15 2006.

First, the history of this case demonstrates that as terms in the Yurt patents are construed, Acacia is forced to withdraw claims it has asserted. The impact of the *Markman* I and II orders is illustrative. As noted above, Acacia abandoned *21 claims* in the '992 and '863 patents, as well as all of the asserted claims in the '702 patent, due to the Court's orders. As a result, the Satellite Defendants briefed only the *5 claims* asserted against them in the current round of *Markman* briefing — Claims 41-45 of the '992 patent. This narrowing of the claims at issue significantly reduced the parties' efforts and presented far fewer issues for the Court to resolve. (However, even the reduced number of issues still left a substantial volume of briefs for the Court to consider.)

This round of claim construction has already produced similar results, even though the *Markman* hearing has not yet occurred. In response to the Defendants' claim construction briefs on the terms in the '992 and '275 patents, Acacia in its reply brief withdrew Claims 47, 48, 49, 51, 52, and 53 of the '992 patent. *See* Plaintiff Acacia Media Technologies Corporation's Combined Reply In Support of Legal Memorandum Re the Definitions of the Claim Terms From the '992 and '275 Patents [Docket No. 173] at 1-2. This eliminated the need for the Court to construe 14 additional terms or phrases. Kreeger Decl. ¶ 4. Consistent with this history, Defendants anticipate that the Court's rulings on the terms in the '992 and '275 patents may well result in Acacia deciding to withdraw additional claims, including claims in the forthcoming round of briefing. For example, in addition to the terms discussed below, the following terms are addressed in the '992 and '275 round of briefing and are also contained in the '863 and '720 patents: "items," "sequence of addressable data blocks," and "compressing the formatted and sequenced data blocks." Were the Court to adopt the Round 1 & 2 Defendants' constructions of these terms, Acacia may well decide to withdraw all claims containing these terms — just as it did following the Court's *Markman* I & II rulings. Construing the '863 and '720 patents at the same time is an inefficient allocation of resources, particularly since the Court will also simultaneously be considering the Round 3 Defendants' motion to reconsider.[4]

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[4] Further, Acacia has already noticed its intent to present extrinsic evidence regarding any terms in the '992 or '275 patents that the Court finds indefinite. Plaintiff Acacia Media

(Footnote continues on next page.)

Second, the Court's construction of terms in the '992 and '275 patents will inform the construction of terms in the '863 and '720 patents. For example, as the Round 1 and 2 Defendants point out, the '992 and '275 patents use the terms "reception system" and "receiving system" in such an inconsistent manner that makes them impossible to construe. While neither the '863 nor the '720 patents use the term "receiving system," they refer to "subscriber receiving *stations*" and "subscriber *selectable* receiving stations," and the '720 patent claims both a "receiving means" and a "reception system." *Id.* at ¶ 5. The specification, however, never refers to "subscriber receiving stations." Whether the Court agrees with the Round 1 and 2 Defendants that the term "receiving system" is indefinite, or gives that term a construction, its conclusion will likely influence its decision as to the meaning or indefiniteness of the term "subscriber receiving stations," as well as other related terms such as "receiving means," since the specification could be read to suggest that these terms are used similarly.[5]

Similarly, the parties dispute the meaning of the phrases "remote location *selected* by the user" and "the *selected* remote location" as those phrases are used in the '992 patent. The Court's construction of these terms would inform the parties' efforts to construe "subscriber *selectable* receiving stations" in the '863 and '720 patents, since all of these phrases apparently are to refer to the location where information is received by the end user. *Id.* at ¶ 6. Given the potentially related meanings, attempting to construe any of these claims without the benefit of the Court's ruling on the remaining terms of the '992 patent would be inefficient.

Third, the Round 3 Defendants have stated that they intend to seek reconsideration of 14 terms or phrases that have already been construed in the *Markman* I and II orders. *See* Round 3

(Footnote continued from previous page.)

Technologies Corporation's Legal Memorandum Re the Definitions of the Claim Terms From the '992 and '275 Patents [Docket No. 145] at 2 n.3. Again, this request presents the inefficient situation of the Court having to hear such evidence at the same time it is attempting to construe the claims of the '863 and '720 patents based solely on the intrinsic record; claims that may be found invalid without subsequent effort.

[5] For example, the specification, as well as Claims 19 and 47 of the '992 patent, describes the "receiving system" as being at the remote location to which information is sent from the transmission system. *See* '992 patent, 22:40-47.

Defendants' Claim Construction Brief (Part I) [Docket No. 162] at 3 n.6. Of these terms, the following are also in the '863 and '720 claims asserted against the various Defendants: "transmission system," "reception system," "assigning a unique identification code," and "storing as a file, the compressed, formatted, and sequenced data [blocks] with the assigned unique identification code." Thus, the Round 3 Defendants' briefing may have an impact on the '863 and '720 patents. If, for example, the Court were to find one of these terms indefinite, then claims in the '863 and '720 patents that contain similar terms would also be invalid. Again, it makes little sense to attempt to construe the terms of the '863 and '720 patents without the benefit of the Court's rulings on the present round of claim construction briefing and the upcoming motion to reconsider.

As outlined above, modifying the briefing schedule of the '863 and '720 patents will increase efficiency for the Court and the parties. The Court's rulings may substantially narrow the number of issues that will have to be addressed. Moreover, it will allow the parties to brief the issues in a more focused way, with the benefit of the Court's rulings on the same, similar, and related terms. Any delay caused by the revised schedule will be not be prejudicial to Acacia, as it will allow the Court to make more informed rulings on these important claim construction issues. Moreover, any claim of prejudice by Acacia is not credible given that any delay would be directly attributable to the manner in which Acacia has chosen to conduct this litigation — filing serial cases against numerous parties over a period of years and then moving to consolidate all of the actions before this Court. Good cause clearly exists to modify the scheduling order. The Court should continue the briefing schedule for the '863 and '720 patents until after it has issued a *Markman* ruling as to the remaining claims of the '992 and '275 patents and has addressed the Round 3 Defendants' motion to reconsider.

CONCLUSION

For these reasons, the Court should revise the current scheduling order and vacate the August 11, 2006, hearing date as it pertains to the '863 and '720 patents, along with the related briefing schedule, and set a future date subsequent to the Court's resolution of the current round of claim construction regarding the '992 and '275 patents.

Dated: May 30, 2006

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